

**MINUTES OF THE
VINEYARD TOWN REDEVELOPMENT AGENCY
Vineyard Town Hall, 240 East Gammon Road, Vineyard, Utah
July 13, 2011, 7:03 PM**

PRESENT:

Mayor Randy Farnworth
Board Member Nathan Riley
Board Member Jeff Gillespie
Board Member Norm Holdaway

ABSENT:

Board Member Sean Fernandez

Staff Present: Attorney David Church, Water Operator Sullivan Love, Engineer Don Overson, Deputy Recorder Heather White and Town Clerk/Recorder Dan Wright

Others Attending: Ed Grampp and Stewart Park of Anderson Geneva

The Vineyard Redevelopment Agency held a board meeting on July 13, 2011 starting at 7:03 PM in the Vineyard Town hall. Board Member Nate Riley offered the prayer.

Regular Session; 7:03 PM

Minutes Review and Approval

None

RESOLUTION U-2011-01; CONSIDERATION AND POTENTIAL ADOPTION OF A RESOLUTION APPROVING A LAND DONATION AND REIMBURSEMENT AGREEMENT BETWEEN THE AGENCY AND ANDERSON GENEVA, LLC REGARDING A DONATION/CONVEYANCE OF LAND LOCATED WITHIN THE GENEVA URBAN RENEWAL PROJECT AREA TO UTAH VALLEY UNIVERSITY

RDA Board Member Nate Riley said it seemed there had not been any compromise on the items the board had issues with. He said all the items were still being requested as before. Chair Randy Farnworth said he understood that the discussions had been going on for a while, but said they would continue to discuss the issues in the Agreement in order to get it right. He said he read the letter from Ed Grampp and understood his concerns, however, the board still had an issue paying interest. He felt the town did not need to pay interest even though Mr. Smith, as mentioned in the letter, stated that it was common. All board members in attendance agreed. Chair Randy Farnworth also asked to see the appraisal for the property.

Ed Grampp said they would like to give the appraisal to the town; however, they did not want to have it made public. Attorney David Church explained that the town would like to have the appraisal for the 100 acres affected by the agreement. He said it needed to be in the public record as an appraisal that justified the request for the agreement. Discussion ensued regarding the request to keep the appraisal from the public record. Chair Randy Farnworth explained that it was important to have a public account of the request because the board had been asked to pay interest on money that was not Anderson Development's money; it was tax payer's money. Attorney David Church agreed. He said Anderson Development was not loaning \$5,000,000 to the town. He said he could understand where the developer was coming from, but he was not convinced that the developer was foregoing the possibility to sell to someone else. He said that if there wasn't someone else to hand them the money

right now, then they weren't losing money on the property. Ed Grampp explained that Anderson Development had not made efforts to sell the property to anyone else. He said after the sale of the property to UVU was announced a year ago, it was Anderson Development's choice that there was not someone else to buy. He explained that the original transaction was that UVU wanted to buy the property, but they could only purchase it for \$5,000,000. Anderson Development decided to make a donation of \$10,000,000. Mr. Grampp went on to say that in order for UVU to make the purchase, Anderson Development came to the town asking for \$5,000,000. He said maybe they should have had UVU talk more with the town. Chair Randy Farnworth did not think UVU would ask the town to pay interest. Mr. Grampp explained that Anderson Development decided to subordinate the \$5,000,000 payment to any bonds that were issued. He said they needed the interest on the \$5,000,000. He asked the town to recognize that they would not be getting the money up front and that they were willing to negotiate when the interest accrual started.

Board Member Nate Riley expressed frustration because the town was not involved when the agreement was reached between Anderson Development and UVU. He said the town first heard about the agreement from a press release issued by the university. He reminded Mr. Grampp that the purpose of the RDA was to facilitate cleanup on the property and then assist with infrastructure. He did not feel it was right to use public funds to pay interest. He said he read Mr. Grampp's letter, but that it did not persuade him to think there should be interest paid. He said the incentive, if the town approved the \$5,000,000, was that UVU was an anchor tenant for the developer. Board Member Jeff Gillespie agreed and said that the \$5,000,000 was a donation for a non-taxing entity and that any benefit would come from the other development around the UVU property.

The board discussed roads and the Necessary Improvements as defined in Attachment No. 4 of the agreement. Board Member Nate Riley questioned the wording in the last paragraph on Page 2 of the draft agreement dated 5/11/2011. He wondered exactly when payment would begin. Attorney David Church explained that payment would begin after the base year. He explained that the Project Base Year was defined as the year in which the Necessary Improvements were completed and accepted by the Town (see Paragraph 2.2). Board Member Nate Riley also pointed out that the first paragraph on Page 3 would need to be deleted as well as the portion in the second paragraph referring to interest. He requested that the updated agreement be sent to all board members electronically. He wondered if anyone knew the paragraph details regarding the subordination to the bond. The board discussed the details as they understood and Attorney David Church mentioned that he would get the financial advisor's proposed language for the final draft. Board Member Nate Riley recommended that a decision be postponed so that the final agreement could include the language for the subordination of payments, the changes made regarding no interest being paid, and the final exhibits in final form. He suggested that a vote be taken on July 27th.

Board Member Nate Riley voiced concern with some of the language in proposed Resolution U-2011-01. He said he did not agree with the paragraph that read, "Whereas, the agency has determined that it is in the best interest of the residents of the City that the Participant complete the donation/conveyance to UVU and be reimbursed by the Agency for a portion of the value donated/conveyed;" Attorney David Church suggested deleting the paragraph. Board Member Nate Riley also disagreed with the sentence in the Agreement that read, "The fulfillment of the agreement is vital to and in the best interests of the Agency, the Town of Vineyard, and the health, safety, and welfare of its residents, and in accord with public purposes." Attorney David Church also suggested deleting that sentence as well.

All board members present agreed with the proposed changes. Attorney David Church mentioned that the final draft would be circulated to the board members by Tuesday July 19th. Deputy Recorder Heather White was asked to send the draft resolution to Attorney David Church for editing.

INFRASTRUCTURE PRIORITIZATION

Ed Grampp with Anderson Development said there was bond money coming. He wanted to start engaging with the town and staff to see what infrastructure should be in place first. He talked about the area south and to the east of the railroad tracks on the Anderson Geneva property and said he thought it was good to put the infrastructure there first. Chair Randy Farnworth wondered if it was prudent to have the discussion since the board did not know for sure if the town could get the bonds. Attorney David Church said the infrastructure priorities should be decided by the town based on the projects that came in first. He said the town would not pay for engineering costs and build something that was not going to be used.

The board discussed the potential projects and the limited funds from the RDA. They asked Engineer Don Overson to present his suggested priorities for the infrastructure on the RDA property. Ed Grampp and Stewart Park asked if the town engineer could meet with the developer to discuss their plans for the property. Board Member Nate Riley said he would be interested in seeing what Anderson Development considered as priorities. He pointed out that the developer was responsible for cleanup, infrastructure, and development and that the majority of the funds would come from somewhere other than the RDA. Ed Grampp said there were a number of projects they were looking into. The Board agreed that Engineer Don Overson could meet with representatives from Anderson Development, but that the meetings should not be excessive. They agreed that if Anderson Development abused Don Overson's time, the town would need to minimize the meetings.

ADJOURNMENT

The meeting adjourned at 8:21 PM. The next Redevelopment Agency meeting will be held as necessary.

MINUTES APPROVED ON _____

CERTIFIED CORRECT BY _____
H. WHITE, DEPUTY RECORDER